

STARK, SCHAKOWSKY INTRODUCE BILL TO EASE MEDICARE DRUG IMPLEMENTATION FOR BENEFICIARIES

Wednesday, 21 September 2005

Today, U.S. Reps. Pete Stark (D-CA, 13th) and Jan Schakowsky (D-IL, 9th) introduced legislation, "The Medicare Informed Choice Act" (MICA), aimed at easing the implementation of the new Medicare prescription drug program for more than 40 million Medicare beneficiaries.

FOR IMMEDIATE RELEASE

Thursday, September 22, 2005

Contact: (Stark) Drew Nannis (202) 225-5065

(Schakowsky) Ben LaBolt (202) 225-2111

STARK, SCHAKOWSKY INTRODUCE BILL TO EASE MEDICARE DRUG IMPLEMENTATION FOR BENEFICIARIES

WASHINGTON

— Today, U.S. Reps. Pete Stark (D-CA, 13th) and Jan Schakowsky (D-IL, 9th) introduced legislation, "The Medicare Informed Choice Act" (MICA), aimed at easing the implementation of the new Medicare prescription drug program for more than 40 million Medicare beneficiaries.

As the law stands, seniors and people with disabilities will face stiff financial late enrollment penalties if they fail to enroll in a Medicare drug plan by May 15th, 2006. In addition, if they enroll in a plan, most will not be permitted to switch plans until 2007 — even if they discover they've made the wrong choice. Furthermore, some retirees who purchase drug coverage through Medicare may unknowingly lose their retiree health benefits from their previous employer. MICA seeks to lift those penalties for 2006 in order to ease beneficiaries' transition into the new Part D drug program.

"Seniors and people with disabilities will be extremely confused as they try to figure out their options with regard to private Medicare drug plans," Stark warned. "The Medicare Informed Choice Act can provide beneficiaries extra protections during the first year of this complex new program so that they won't feel pressured into making a bad choice. If the Administration and Republicans in Congress want this law to work for beneficiaries, they'll join us to quickly enact these sensible consumer protections."

"My constituents are begging for help and the people on the ground

charged with implementing this complicated drug benefit are begging for more time," Schakowsky added. "Senior citizens and people with disabilities will soon be inundated by marketers and have to sort through 40-50 plans without the support of independent counselors. That's why we need this bill. The Medicare Informed Choice Act would provide that relief by providing three simple changes in 2006: elimination of the late enrollment fee, a one-time opportunity for every beneficiary to switch plans, and protection against the loss of retiree health benefits."

Due to the complexity of the new drug program, the quantity of plans being offered in each market, the aggressive marketing expected to bombard beneficiaries, and variation in materials being disseminated by the Administration, the Act creates new beneficiary protections for the first year of implementation. Specifically, the bill:

- Delays late enrollment penalties by expanding the existing six-month open enrollment period through December 31st, 2006;
- Protects seniors who make an initial mistake in selecting a plan by allowing a one-time change in plan enrollment at any point in 2006; and
- Protects retirees who may not be aware that purchasing Medicare drug coverage could cost them their retiree health benefits.

The bill has been endorsed by leading senior citizen advocacy groups including: the Alliance for Retired Americans, the American Federation of Teachers, the Center for Medicare Advocacy, Consumers Union, Families USA, the Medicare Rights Center, and the National Committee to Preserve Social Security and Medicare. Original cosponsors also include key Congressional Democratic health leaders: Reps. Dingell, Rangel, Miller, Waxman, Brown and Pallone.